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May 20, 2005

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

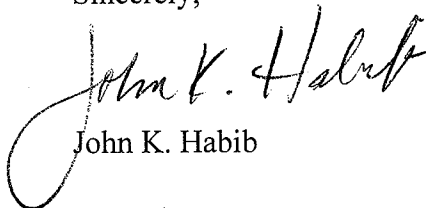
RE: New England Gas Company, D.T.E. 05-24

Dear Ms. Cottrell:

Please find attached the responses of New England Gas Company to the Department's First Set of Information Requests in the above-referenced proceeding. If you have any questions, please call me at your convenience. Please also direct any correspondence to:

Kevin F. Penders, Esq.
Manager, Regulatory Relations
New England Gas Company
100 Weybosset Street
Providence, Rhode Island 02903
Direct: (401) 272-5040 x 2212
Fax: (401) 751-0698

Sincerely,



John K. Habib

Enclosures

cc: Jody Stiefel, Hearing Officer
Joseph Rogers, Assistant Attorney General
Kevin Penders
Karen Czaplewski
Peter Czekanski

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**FIRST SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO
NEW ENGLAND GAS COMPANY
D.T.E. 05-24**

Dated: May 20, 2005
Respondent: Karen Czaplewski

Information Request DTE-1-1

Refer to the Company's commentary on Consumer Division Cases and Billing Adjustments in Section 2 of the filing. The Company states that the Company requires clarification from the Department on the classification rationale for certain calls and that its 2004 performance in this measure is at least partially attributable to communication problems between itself and the Department.

- (a) What aspect of the current rationale is unclear to the Company?
- (b) Explain how this issue impacts the Company's performance in this measure.
- (c) Comment on how staff changes impacted the Company's performance in this measure.

Response

(a) and (c)

In compiling data for the Company's Annual Service Quality Report ("ASQR") for 2004, the Company determined that its Consumer Division Cases ("Cases") for the year were significantly greater than in previous years. By the deadline for filing the ASQR, the Company had concluded preliminarily that the discrepancies between the Company's 2004 performance and its performance in previous years may have resulted partly from: (1) the Department classifying as a Case certain matters that the Company believed should not be so categorized; combined with (2) inconsistent communication by the Company to the Department regarding the Company's perspective on these matters. These initial conclusions were noted in the Company's ASQR.

Since the filing of the ASQR, the Company has spent a significant period of time reviewing the Cases attributed to it for the year 2004 and believes that its initial conclusions were accurate. First, the Company has determined that there were a large number of Cases attributed against the Company for 2004 where the Company has no record of any initial contact with the customer prior to Department intervention, contrary to the criteria reflected in the D.T.E. 99-84 Service Quality Guidelines (the "Guidelines"). One of the criteria in the Guidelines for categorizing a matter as a "Case" is that a customer is required to have first contacted the customer's distribution company in an attempt to resolve the matter. However, based on Company records, the Department attributed against the Company matters that arose during last year where the Company's

customer had not given the Company the opportunity to resolve an issue prior to contacting the Department.

The Company has identified an issue with the Department's telephone system that may have contributed to this situation. The Company's understanding is that, if a customer contacts the Department directly, that customer may be given the opportunity to be transferred through the Department's telephone system to the Company for the opportunity to make an initial effort at resolution. However, in April 2005, the Company discovered that the Department's telephone system did not recognize the Company's name (New England Gas Company), which has been used by the Company in its monthly billings and other correspondence for over two years. Accordingly, efforts by the Department's staff to transfer some customers to the Company may not have been successful.

Lastly, the Company had determined that some Cases attributed against the Company for 2004 were related to Commercial Accounts. However, the Guideline's criteria for categorizing a matter as a Case include the requirement that "the matter involves an issue or issues over which the Department typically exercises jurisdiction." Guidelines at §III.A(4). Accordingly, because the Department's jurisdiction is typically exercised in the context of service to residential customers, the Company is unclear whether these matters should have been attributed against the Company as a Case.

However, as noted previously, there was a change in 2004 of Company personnel responsible for overseeing the monthly monitoring of SQ tabulations. The Company believes that inconsistent communication between the Company and the Department in the wake of this change may have exacerbated the situation described above. Accordingly, the Company will be more diligent going forward in reviewing and questioning those Cases it deems questionable or inappropriately designated against the Company.

- (b) The Company believes that many of the issues discussed above result in Cases being charged against the Company without merit. The Company did a high-level overview and sampling of the customer complaints filed with the Department and found numerous Cases from last year that should have been addressed and discussed more timely with the Department. Realizing that these issues would take considerable time to document and investigate, the Company is not challenging any particular Case that was attributed against the Company for 2004. Instead, the Company will review Department reports on a monthly basis and intends to meet with the Department quarterly on questions and issues of each particular case.

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**FIRST SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO
NEW ENGLAND GAS COMPANY**

D.T.E. 05-24

**Dated: May 20, 2005
Respondent: Robert J. Riccitelli**

Information Request DTE-1-2

Refer to page 2 of Appendix E of the filing. Please comment on the Fall River division's substantial increase in capital expenditures during 2004 relative to prior levels. What factors are primarily responsible for driving this increase in expenditures?

Response

Unlike in prior years' Annual Service Quality Reports ("ASQR"), the capital investment data provided by the Company in its 2004 ASQR includes capital spending from two closings of the Company's books, one on June 30, 2004 and one on December 30, 2004. This change resulted from the fact that, during 2004, the Company's fiscal year changed from a June 30 year-end to a December 30 year-end. Accordingly, the Company's 2004 capital investment figures include completed capital investment from July 1, 2003 through December 31, 2004, or a total of 18 months of investment. Because of the change in the Company's fiscal year, the Company's 2005 ASQR will reflect capital investment for fiscal year 2005, which will end December 30, 2005.

Please see Attachment DTE-1-2 which further breaks outs the information provided on page 2 of Appendix E to reflect the Company's capital investment from July 1, 2003 through December 30, 2004.

**Fall River Gas Company
Capital Expenditure Information
Transmission and Distribution Plant**

Booked Investment	1995	1996	1997	1998	1999	2000	2001	2002	2003	01/01/04-06/30/04	07/01/04-12/31/04	TOTAL
Additions:										2004	2004	2004
Generating Equipment												
Structures & Improvements												
Mains	21,602	437,459	523,222	431,697	168,498	532,197	114,199	783,033	16,634	\$	\$	\$
Measure & Regulator	1,966,830	8,531	18,527	6,546	24,022	22,389	50,881	38,952	489,887	13,605	9,311	(446,718)
Services	201,515	1,461,230	1,325,328	996,711	988,392	1,132,359	636,801	1,400,616	60,389	1,370,279	799,041	2,169,320
Meters	2,519,165	135,807	135,390	285,991	16,329	86,159	(7,532)	138,470	1,047,489	27,259	1,027,121	27,259
Meter Installations	233,894	242,345	200,156	201,814	199,938	242,000	149,748	329,502	81,360	1,483,323	283,964	2,510,444
House Regulators	493,970	19,893	19,815	18,810	13,435	15,615	14,230	11,160	180,074	236,280	47,684	283,964
Other	38,219	3,817	3,983	1,638	1,638	11,200	31,071	14,721	91,950	243,099	208,272	451,371
sub-total	\$ 5,479,012	\$ 2,305,265	\$ 2,226,221	\$ 1,943,207	\$ 1,410,614	\$ 2,041,919	\$ 989,397	\$ 2,701,733	\$ 1,904,139	\$ 2,986,161	\$ 2,166,288	\$ 166,809
Construction Work in Progress												
Retirements												
Mains	\$ (33,447)	\$ (2,737)	\$ (59,060)	\$ (18,827)	\$ (13,149)	\$ (10,647)	\$ (79,629)	\$ (9,665)	\$	\$	\$	\$
Measure & Regulator	-	(4,750)	(271)	(1,677)	(18,849)	(7,769)	-	-	-	(84,501)	(6,066)	(94,501)
Services	(136,396)	(142,831)	(70,808)	(36,311)	(61,448)	(75,873)	(122,013)	(75,231)	-	(252,563)	(90,462)	(252,563)
Structures & Improvements												
Meters	(27,854)	(32,741)	(27,146)	(21,800)	(20,371)	(12,511)	(10,418)	(4,310)	(99,582)	(82,078)	(39,840)	(82,078)
Meter Installations	(39,742)	(38,013)	(27,094)	(18,833)	(26,855)	(18,965)	(31,022)	(10,981)	-	(39,840)	(659,796)	(659,796)
House Regulators	-	(8,380)	(5,157)	(2,682)	(4,688)	(2,444)	(5,645)	(4,988)	-	(1,215,306)	-	(1,215,306)
Other	-	-	(2,940)	-	-	-	-	-	-	-	-	-
sub-total	\$ (237,439)	\$ (229,452)	\$ (192,477)	\$ (100,130)	\$ (145,361)	\$ (128,230)	\$ (248,727)	\$ (105,175)	\$ (99,582)	\$	\$	\$
Total	\$5,241,573	\$2,075,813	\$2,033,744	\$1,843,076	\$1,265,253	\$1,913,689	\$740,670	\$2,596,558	\$1,804,557	\$1,780,855		
Facilities												
Added (feet)												
Wrought Iron and Steel	90	650	-	-	18	-	-	116	149	-	-	-
Plastic	42,598	20,449	26,389	23,116	20,058	17,462	33,339	9,659	44,408	17,502	-	-
Cast Iron	-	-	-	-	-	-	-	-	-	-	-	-
sub-total	42,688	21,099	26,389	23,116	20,076	17,462	33,339	9,775	44,557	17,502	-	-
Taken up (feet)												
Wrought Iron and Steel	-	-	-	-	612	-	-	-	-	-	-	-
Plastic	-	-	-	-	-	-	-	-	-	-	-	-
Cast Iron	-	-	-	-	-	-	-	-	-	-	-	-
sub-total	-	-	-	-	612	-	-	-	-	-	-	-
Abandoned (feet)												
Wrought Iron and Steel	10,823	5,184	11,463	3,874	4,845	2,069	15,724	149	12,545	7,343	-	-
Plastic	1,099	219	286	-	171	138	39	242	688	291	-	-
Cast Iron	654	3,113	4,743	178	299	404	13,260	1,416	3,861	1,035	-	-
sub-total	12,576	8,516	16,492	4,052	5,315	2,611	29,023	1,807	17,094	8,669	-	-
Net change	30,112	12,583	9,897	19,064	14,149	14,851	4,316	7,968	27,463	8,833	-	-

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DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO
NEW ENGLAND GAS COMPANY
D.T.E. 05-24**

Dated: May 20, 2005
Respondent: Peter Czekanski

Information Request DTE-1-3

Refer to Appendix G of the filing. Comment on the reduction of staff during 2004. Identify the function each staff member served prior to leaving the Company.

Response

During 2004, six individuals terminated their employment with the Company that were assigned to the Fall River Service Area, and one individual joined the Company, who has been assigned to the Fall River Service Area. Of the six individuals who left the Company, two were dispatchers, and the remainder worked as a credit and collections representative, an accounting clerk, a payroll clerk, and the manager of regulatory relations, respectively. The individual hired in 2004 conducts work relative to corrosion and leak surveys.

The dispatcher, payroll, and accounting positions have been absorbed into the Company's Rhode Island operations, as has the credit and collections representative. Although the Company's former manager of regulatory relations was categorized as an employee of the Fall River Service Area's legacy company for purposes of SQ reporting, the Company's current manager of regulatory relations is classified as an employee of New England Gas Company.